

# **Sunburst Ranch Board of Trustees**

## **Board Governance Policy**

### **PRINCIPLES OF GOVERNANCE**

As the Sunburst Ranch Board of Trustees, we are committed to these six principles of governance that will guide the decisions we make on behalf of the community.

#### **#1: The Needs of the Many**

As trustees, we are responsible to represent the community, not the interests of an individual, a certain segment, third party or yourself.

#### **#2: Lead with Kindness**

Lead with kindness and consideration. Each owner has a vested interest that is worthy of being heard.

#### **#3: Inclusion Over Division**

It is the Board's responsibility to find middle ground, help negotiate consensus, and build cooperation.

#### **#4: Be a Decision Maker**

Each trustee should be actively contributing information, perspective, voting, and facilitating the decision-making process in a constructive, healthy way.

#### **#5: Balance Transparency with Confidentiality**

Each trustee should foster openness, trust, and transparency, while respecting the confidentiality of sensitive matters such as personnel issues, legal matters, contractual negotiations, and disciplinary action.

#### **#6: Fiduciary Responsibility**

Trustees are fiduciaries. As trustees, we are legally obligated to act in the best interest of the association and its members when making decisions and managing the community's affairs. This means making decisions that best benefit the community, regardless of how they may affect any trustee personally, third parties or someone we know.

### **RESPONSIBILITIES: JUGGLING LEADERSHIP AND SERVICE**

As elected trustees, we serve the Sunburst Ranch community, and we share these responsibilities:

- Understand the financial status of the HOA.
- Know and understand the governing documents (i.e., CC&Rs, Bylaws and Rules & Regulations). The governing documents are NOT just a guide. They are binding contracts, and their terms must be followed.
- Know and understand our individual roles, and everyone else's.

- Know our property management team and work cooperatively with them.
- Attend all meetings to the best of our ability.
- Actively and constructively engage and contribute to conversations, discussions, and the overall decision-making process.
- Be in good standing with the community dues, rules, and regulations.

## **TRUSTEE CODE OF CONDUCT**

**Attendance and Participation:** Trustees are expected to attend all board meetings and community functions in person to the best of their ability. If unable to attend a meeting, trustees should notify the property management company in advance, ensuring that the Board can plan accordingly and maintain a quorum for decision-making. Digital attendance will be available for those traveling out of town. If attending digitally, the camera should be on and the microphone should be muted unless speaking.

**Respect and Dignity:** Trustees shall interact with one another, owners, property management company staff, and service providers with the utmost respect and dignity. This includes actively listening, considering diverse viewpoints, engaging in courteous dialogue, and upholding the community's values in all communications. This includes interactions in formal board meetings as well as informal encounters within the community. Examples of conduct that will not be tolerated include: yelling, derisive comments, offensive gestures and language, threats, shunning, etc..

**Confidentiality:** Maintain the confidentiality of all Board discussions and documents, sharing sensitive information only when it is legally required or in the community's best interest.

**Decision Making:** Commit to informed and thoughtful decision-making. This includes reviewing all relevant information, seeking clarity when necessary, and placing the community's interests above personal preferences.

**Conflict of Interest:** Disclose any potential conflicts of interest with respect to matters before the Board, abstaining from discussions and votes where such conflicts may exist.

**Fiduciary Duty:** Act in good faith and with a fiduciary responsibility to the community, ensuring that all actions and decisions contribute to the financial and social well-being of the Sunburst Ranch community.

**Stewardship of Assets:** Oversee and protect the community's assets with diligence, advocating for responsible financial management and long-term asset preservation.

**Continual Education:** Engage in ongoing education about HOA governance to enhance personal knowledge and the overall functioning of the Board.

**Community Engagement:** Encourage and foster community engagement by being accessible to owners, transparent in governance, and proactive in community outreach.

**Leadership:** Lead by example, embodying the principles of integrity, fairness, and transparency in all actions as a trustee of the Sunburst Ranch community.

**Consequences for Code of Conduct Violations:** Adherence to this Code of Conduct is crucial for maintaining trust and integrity within the Sunburst Ranch community. Violations of these standards are taken seriously and will prompt a thorough review by the Board. Consequences will be commensurate with the nature and severity of the violation and may include censure, loss of Board privileges, or a formal request for resignation. In the most serious cases, a violation may lead to expulsion from the Board of Trustees, in accordance with the bylaws and governing documents of the association.

### **Board Oversight & Responsibilities**

The size and structure of the board is defined in the CC&Rs, which provides for officer roles that are elected by the board, specifically: President, Vice President, Treasurer and Secretary (Secretary may be combined with other roles). Their responsibilities include the following:

- **President** - Lead board meetings, set agendas, act as the primary spokesperson, sign official documents (like contracts and checks with the Treasurer), enforce governing documents, oversee financials with the Treasurer, appoint committees, and serve as the main liaison with property managers and vendors, ensuring board decisions are executed fairly for the community's best interest.
- **Vice President** - Support the President, step in when the President is absent to run meetings and sign documents, oversee committees (like maintenance or architectural review), act as a liaison between the board, management, and homeowners, and handle delegated tasks like vendor management, securing bids, and organizing community events, ensuring smooth operations and enforcing governing documents
- **Treasurer** - Overseeing the management of all HOA finances, including: monitoring collection of dues and bill payments, preparation of annual budget, reporting status to the board, publishing regular financial reports on HOA website, handling capital reserve funds and formal reviews, ensuring transparency and financial health of the HOA, usually by working with the property management company.
- **Secretary** - Overseeing the record-keeping of the HOA, including: responsible for maintaining official documents (bylaws, meeting minutes, member lists), sending out meeting notices, recording accurate meeting minutes, and ensuring all records are stored securely and accessible to members, upholding legal compliance and transparency for the association, usually by working with the property management company.
- **Other Non-Officer HOA Board Trustees:** non-officer HOA board members share core fiduciary duties with officers: acting in good faith, with the care an ordinarily prudent person would use, and in loyalty to the association, primarily by upholding governing documents (CC&Rs, Bylaws). Their key responsibilities include overseeing finances (budgets, assessments), maintaining common areas, enforcing rules, hiring vendors, managing records, ensuring legal compliance (Utah Nonprofit Act), and communicating transparently with homeowners, even if they don't hold specific titles like President or Treasurer.

To assist with managing the day-to-day operations of the Sunburst Ranch HOA, the board has hired a property management company whose responsibilities include:

- Owner Interface and Communication;
- Accounting and Finance;
- Landscaping and Snow Removal;
- Contracting for Services (eg, Procurement, Contracting, Scheduling, Oversight and Payment)
- HOA Website and Records Retention;
- Scheduling and assisting with Board Meeting;
- Other HOA activities as agreed.

## **GOVERNANCE PROCEDURES**

### **Formats for Taking Action**

- **Open Board Meetings**
  - Meetings will start at 6:30 PM Mountain time to allow for owner attendance, when at all possible.
  - Trustees and property management are expected to be present and on-camera during the meeting.
  - A quorum of the trustees is required to conduct business at a meeting; please inform the president and property management team in advance of an expected absence.
  - Meetings will be recorded for the purpose of taking minutes; recordings will be retained to serve as a backup to the minutes.
  - Time for owner comments will be allocated at the conclusion of the meeting's agenda or 7:30 PM Mountain time, whichever occurs first. We encourage owners wishing to speak to register beforehand, ensuring a smooth flow to the comment period. Speakers will be acknowledged in the order their requests were submitted. For those unable to sign up before the meeting, a sign-up opportunity will be provided during the meeting. To accommodate all voices, we kindly ask each speaker to limit their remarks to three minutes.
  
- **Executive Board Session**
  - Closed executive session meetings will be held immediately prior to open session meetings;
  - In accordance with Section 57-8a-226 of the Utah Community Association Act, the Board may enter executive session to deliberate on sensitive matters, including vendor contracts, legal issues, and account collections. Brief minutes detailing the subjects addressed and decisions made will be documented, and any formal actions will be duly recorded.
  
- **Action Without a Meeting**
  - Vote requests will be sent via email when quick action is needed;
  - Vote solicitations will specify a submission deadline;
  - Vote outcomes will be based on receiving a majority of the board responding in favor or against a specific action (e.g., 4 if 7 total board members, 3 if 5, 2 if 3);
  - Unanimous votes from all trustees are NOT required for action without a meeting;
  - Following the deadline, the voting outcomes will be communicated to all Trustees;

- These decisions will be ratified at the next open meeting and recorded in the official HOA record, as required by Utah state law.

#### **Finances**

- The treasurer is responsible for financial oversight of the HOA.
- The Property Management is responsible for maintaining the HOA's accounting records and publishing monthly financial statements.
- Monthly reports will be submitted to the HOA treasurer by the 15<sup>th</sup> of the following month; reports will be shared and approved by the rest of the Board when finalized and approved by the treasurer.
- A monthly profit & loss and balance sheet reports will be shared with the owners at each meeting and/or published to the HOA website.

#### **Maintenance**

- The Property Management is responsible for oversight of the common areas and facilities and will report issues to the Board and request action as needed / is appropriate.
- The Property Management is authorized to make emergency repairs up to \$500 without requesting a vote.
- Periodic updates will be submitted to the Trustees regarding ongoing and completed projects, and a property report will be provided to owners at all open board meetings.

#### **HOA Record Keeping**

- The Property Management company will prepare meeting minutes and submit them to the Board for approval. Meeting minutes will be approved at the following meeting; only approved meeting minutes will be posted on the owner portal.
- Details of all votes will be recorded, including who made the motion, who seconded, and how each individual trustee voted.
- All action taken without a meeting since the prior meeting will be noted at the end of the meeting minutes.

This policy shall take effect once adopted by the Board as a formal resolution and included in Sunburst Ranch HOA's Rules and Regulations .